

**MINUTES  
of the  
FIFTH MEETING  
of the  
ECONOMIC AND RURAL DEVELOPMENT COMMITTEE**

**November 24-25, 2014  
Room 322, State Capitol  
Santa Fe**

The fifth meeting of the Economic and Rural Development Committee (ERDC) was called to order by Representative Debbie A. Rodella, chair, on November 24, 2014 at 9:43 a.m. in Room 322 of the State Capitol.

**Present**

Rep. Debbie A. Rodella, Chair  
Sen. Howie C. Morales, Vice Chair (11/25)  
Rep. Ernest H. Chavez  
Rep. Nora Espinoza (11/24)  
Rep. Mary Helen Garcia  
Sen. Phil A. Griego  
Sen. Ron Griggs  
Rep. Dianne Miller Hamilton  
Sen. Richard C. Martinez  
Sen. Michael Padilla  
Sen. Pat Woods (11/24)

**Advisory Members**

Sen. Craig W. Brandt  
Sen. Lee S. Cotter  
Sen. Timothy M. Keller  
Rep. Georgene Louis  
Rep. Patricia A. Lundstrom  
Sen. Mary Kay Papen  
Sen. John Pinto  
Rep. Patricia Roybal Caballero  
Rep. Nick L. Salazar  
Rep. James E. Smith

**Guest Legislator**

Sen. Carlos R. Cisneros

**Absent**

Sen. Jacob R. Candelaria  
Rep. George Dodge, Jr.  
Rep. Yvette Herrell

Rep. Zachary J. Cook  
Rep. Sandra D. Jeff  
Sen. Carroll H. Leavell  
Rep. James Roger Madalena  
Sen. Mark Moores  
Rep. William "Bill" R. Rehm  
Rep. Thomas C. Taylor  
Rep. Monica Youngblood

(Attendance dates are noted for members not present for the entire meeting.)

**Staff**

Monica Ewing, Staff Attorney, Legislative Council Service (LCS)

Tessa Ryan, Staff Attorney, LCS

Carolyn Peck, Intern, LCS

**Minutes Approval**

Because the committee will not meet again this year, the minutes for this meeting have not been officially approved by the committee.

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts and other written testimony are in the meeting file.

**Monday, November 24****Welcoming Remarks**

Representative Rodella announced that the committee would break up into three working groups for the first part of the meeting.

**Committee Working Groups****Nonprofit Organizations Working Group**

Susan Wilger and Representative Roybal Caballero participated in the Nonprofit Organizations Working Group. Ms. Wilger provided a summary of legislation that could be proposed for endorsement by the committee.

**Liquor Control Act Working Group**

The Liquor Control Act Working Group reviewed a draft bill that included all of the revisions to the Liquor Control Act that were approved by the Liquor Control Act Task Force. The working group agreed to remove certain sections from the draft and reconsider a revised version of the bill for endorsement on November 25.

**Telecommunications Working Group**

The Telecommunications Working Group discussed the possibility of proposing legislation to expand broadband coverage across the state.

**New Mexico Association of Counties 2015 Legislative Priorities**

Brian Moore, Patricia Gonzales and Mike Gallagher presented the New Mexico Association of Counties' legislative priorities. Amtrak's agreement with Burlington Northern Santa Fe Railway (BNSF) expires in January 2016, and Amtrak will need to identify new sources of funding to continue operations on its current route. The federal government has declined to

provide additional funding to pay for annual maintenance in New Mexico, Colorado and Kansas, so those states are supporting the Southwest Chief train and are seeking state and congressional support for additional funding.

Amtrak wants the Southwest Chief to be able to continue operating along its current, historical route and will pursue legislation to request that a Southwest Chief rail service fund or an alternative funding mechanism be created and that the state's congressional delegation support the maintenance of the Southwest Chief on its current route.

Bill Sauble, vice chair of the Colfax County Commission, stressed the importance of the Amtrak Southwest Chief's continued operations to Colfax County and northern New Mexico. He told the committee that Amtrak originally requested that BNSF, Amtrak and Kansas, Colorado and New Mexico each contribute \$4 million per year for 10 years starting in 2016 but that the request may have been recently revised.

### **Electric Cooperatives**

Luis Reyes gave a presentation to the committee about the Kit Carson Electric Cooperative. In 2010, the cooperative applied for the fiber-to-home project, worth \$64 million, and received the award. This award is the largest amount awarded to any electric cooperative in the United States. Today, the cooperative has 82 percent to 85 percent of the project built and completed, and the project has reached the Pueblo of Taos.

Mr. Reyes said that Kit Carson has partnered with the University of New Mexico at Taos to train workers with the intention of making northern New Mexico more competitive in the workplace.

A member asked whether retention of employees in New Mexico is a problem, and Mr. Reyes said that it has been problematic, but retaining local employees has helped to stabilize the company.

In response to a question, Mr. Reyes said that the average outage time is approximately one hour per customer per year.

### **Gaia Gardens and Mil Abrazos Community Land Trust**

Gretchen Elsner and Poki Piottin gave a presentation to the committee about the Gaia Gardens and Mil Abrazos Community Land Trust project. Gaia Gardens is an urban farm located near Yucca Road and Zia Road in Santa Fe that seeks to include the community in its operations. Property records show that the land on which Gaia Gardens sits was cultivated during the 1950s and 1960s, and it was one of the first hydroponic facilities.

Santa Fe's zoning codes do not clearly provide for urban farms, so Gaia Gardens' operations have met some obstacles. The farm's goal is to raise enough money to purchase the property where the farm is located. Mr. Piottin explained that purchasing the farm will be a good

investment because the farm currently earns \$60,000 per acre per year. He added that the farm will need to raise \$400,000 to purchase the land.

Committee members thanked the presenters for the information about the farm and offered suggestions for possible funding sources to purchase the farm land.

#### **Asset Development: Household and Community Economic Impact**

Sharon Henderson gave a presentation to the committee about asset development and individual development accounts (IDAs). IDAs provide a way for a person to save money for large purchases, such as the purchase of a home or a business. Ms. Henderson explained that participants in the program receive a four-to-one match on their money. Participants are required to take part in a certain amount of training before they receive matching funds.

Dr. Rodolfo Acosta-Perez, director of family empowerment with the Community Action Agency of Southern New Mexico, explained that the program has a 74 percent success rate. A benefit of the program is that it provides low-income young adults with skills and education about saving money and that it helps participants to become self-sufficient.

Agiola Bejko, manager of coaching, education and outreach with Homewise, Inc., spoke in support of the program. She said that the program helps New Mexicans to become homeowners and added that the mortgage delinquency rate for program participants is much lower than that of other borrowers.

Zoe Otero-Martinez, financial literacy program coordinator for WESST Enterprise Center, also spoke in support of the program. She said that participants who want to start a business learn financial literacy skills through the program to help them manage money efficiently and keep their businesses operating successfully. Over 13,000 hours of financial literacy training have already been delivered.

Ruth Hoffman from the Lutheran Advocacy Ministry informed the committee that the presenters would be seeking \$200,000 for the project during the 2015 legislative session.

A committee member asked how participants learn about the program, and the presenters replied that they give presentations in communities and that they try to include speakers who can relate to the people they are trying to reach.

A committee member suggested that the presenters consider a public-private partnership for this project, and the presenters informed the committee that they are currently part of a public-private partnership with Sandia Area Federal Credit Union and are open to the possibility of additional partnerships.

### **High-Cost Lending: A Major Drain on New Mexico's Economy**

Karen Meyers, Dianne Sandoval and Ona Porter gave a presentation to the committee about high-cost lending. While working to build assets, low-income families have to increase income, decrease cost or do both. Storefront lending has become a barrier that prevents borrowers from building assets. These lenders charge an average of 350 percent interest, and borrowers in New Mexico paid \$105 million in loan fees in 2013. Storefront lenders advertise short-term loans, but most of the loans are eventually extended by borrowers. Independent studies have shown that storefront lending is harmful to borrowers and that low-income New Mexicans need laws to protect them from harmful lending practices. Additionally, most of the lending companies are based out of state, so their profits are leaving the state and not contributing to the state's economy.

Marvine Ginne's work as executive director of Native Community Finance involves refinancing high-interest loans, and she recently worked with a woman who had paid 750 percent interest on a \$700, 18-month loan. She said that some borrowers will take out loans that are not possible to pay back because of the loan's terms.

Dianne Sandoval from Guadalupe Credit Union gave a presentation about a recent program that was implemented as an alternative to a payday loan. The program is currently a pilot program, but it is promising because \$.24 per dollar made through the program stays in the state's economy.

The presenters said that one of the most effective measures to stop predatory lending is to create definitions and rules about how loan terms are presented to borrowers.

### **New Mexico Main Street, Frontier Communities, Arts and Cultural Districts and Emerging Programs**

Rich Williams, director of the New Mexico MainStreet Program, said that the program works to revitalize the state's communities through historic preservation and asset-based economic development. He highlighted the new and emerging MainStreet communities that were established during fiscal years 2014 and 2015 in Barelás, Gallup, Harding County and Albuquerque's South Valley. Another MainStreet community will be announced in December 2014. There are also nine state-authorized arts and cultural districts in New Mexico: Silver City; Las Vegas; Los Alamos; downtown Albuquerque; Taos; Raton; Artesia; Gallup; and Mora. Several frontier communities have been created through the 2012 amendment to the Main Street Act. In 2013, these communities were in Columbus, Hurley, Madrid, Carrizozo, Moriarty Rt. 66, Santa Clara Village, Wagon Mound and Lordsburg. In 2014, frontier communities were created in Tularosa, Questa, Carrizozo, Aztec, Galisteo, Anton Chico, Edgewood Rt. 66 and Magdalena.

### **Tuesday, November 25**

The committee approved the minutes from its fourth meeting without objection.

### **Dental Therapist Licensure**

Pamela K. Blackwell, project director of oral health access for Health Action New Mexico, gave a presentation to the committee about dental therapist licensure. She emphasized that many people in New Mexico do not have access to basic dental services, which leads to health and economic concerns. Several schools in New Mexico are interested in creating dental therapist training programs to help train dental therapists to fill some of the gaps in dental coverage in the state. So far, more than 50 organizations support the organization's proposed legislation to create the program. Alaska, Minnesota and Maine have all implemented dental therapy programs. Ms. Blackwell added that establishing a dental therapy program will help to create many new jobs in New Mexico. When Alaska passed the legislation, 19 practicing therapists and 76 new jobs were added to the economy there.

Ms. Blackwell informed the committee that the proposed legislation, which has been endorsed by the Legislative Health and Human Services Committee, is an authorization bill to which no appropriations are attached.

Regarding dental therapy licensure, Ms. Blackwell said that the education is dental-hygienist-based, and students are required to hold at least an associates degree. The program will include restrictions to ensure that dental therapists practice only in shortage areas, and 15 percent of the therapists' patients must be Medicaid recipients. Dental therapists will not have prescriptive authority, but they will be able to administer and dispense medication with a dentist's authority.

A dentist spoke in favor of the dental therapist legislation. She said that she has spent her career giving back to her community, and she has seen the benefits of dental therapy firsthand as a dentist in Alaska.

Joseph Gallegos, Pat Jackson, Michael Bird, Tim Reid, Linda Hudson, Katherine Bultsuvak-Sovereign and Dave Kirby spoke in support of dental therapy.

### **First Right to Construct Transmission Infrastructure**

Bill Grant, Duane Ripperger and Varney Brandt gave a presentation to the committee about the first right to construct transmission infrastructure. They provided a copy of legislation that they plan to pursue in the 2015 legislative session and said that it provides for the State of New Mexico to decide who can construct transmission infrastructure in the state.

### **Memorial — Cooperation Among Mexico, the United States and New Mexico**

Senator Griego asked the committee to consider endorsing a memorial to encourage cooperation among Mexico, the United States and New Mexico with respect to infrastructure along the southern New Mexico border. He said that during the committee's meeting in Santa Teresa, there was discussion about the lack of funding for road improvements and this memorial asks the three parties to coordinate efforts to improve infrastructure. He said that more than \$1 million in products cross the United States/Mexico border each month, so this type of

cooperation would benefit the economies of all three parties. Several members expressed their support for the memorial, and it was endorsed by the committee.

### **ERDC Liquor Control Act Working Group Bill**

Representative Rodella presented a revised and pared-down version of the bill discussed by the working group the previous day. The bill provided for several changes aimed at improving the Liquor Control Act. After discussion and input from stakeholders from the community, the committee endorsed a version of the bill that included only those provisions with which no committee members or community stakeholders took issue.

### **Research Gap Funding Bill**

Senator Padilla presented his bill to the committee but did not request the committee's endorsement. The bill creates a fund to help support technology-related innovations developed by students. The fund would provide for "gap funding" to help students and other innovators develop their ideas into a business in which the state would become part-owner. He said that the fund will help to encourage entrepreneurs to remain in the state and start businesses.

A committee member expressed concern because of the state's lack of funding. Other committee members commented on the importance of keeping the state's entrepreneurs in the state to support the state's economy.

### **New Mexico Resident Business Set-Aside**

Senator Padilla and Jason Espinoza presented this bill but did not seek the committee's endorsement. The bill is intended to support New Mexico's small resident businesses in obtaining contracts with the state by establishing a goal of 33 percent of agency contracts being awarded to locally owned businesses. The presenters noted that the General Services Department has not taken a position on this legislation.

### **Appropriation — Economic Development Districts, Councils of Governments**

Tim Armer presented an appropriation bill to the committee. Members inquired about how the state collaborates with the economic development districts that would benefit from the appropriation, and Mr. Armer said that the state's economic development districts and councils of governments work together with the state through outreach efforts aimed at improving the economy of the state through regional efforts. The committee endorsed the appropriation bill.

### **Appropriation — New Mexico Fruits and Vegetables for School Meals**

After a short discussion about an appropriation to provide New Mexico-grown fresh fruits and vegetables to the state's children in schools and juvenile detention facilities, the committee endorsed the appropriation.

### **Adjournment**

There being no further business before the committee, the fifth meeting of the ERDC for the 2014 interim adjourned at 3:30 p.m.